

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

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DRAFTED BY EUR/CE:RWBECKER/GLRUECKERT:MMM

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R 162013Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY BONN

USMISSION USBERLIN

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E.O. 11652: N/A

TAGS: PFOR, EAIR, WB, US, UK, FR, GW

SUBJECT: UK NON-PAPER ON APPROACH TO FRG ABOUT IGS
FARE STRUCTURES

REF: STATE 1320

1. DEPARTMENT HAS REVIEWED TEXT OF UK NON-PAPER INTENDED FOR USE WITH FRG (COPIES PREVIOUSLY POUCHED TO EMBASSY AND USBER). TEXT STRIKES US AS SOMEWHAT WORDY AND SIMPLISTIC. HOWEVER, WE DO NOT WISH TO EMBARK ON A MAJOR REDRAFTING EXERCISE BECAUSE WE CAN GO ALONG WITH GENERAL APPROACH OUTLINED BY UK WITH FOLLOWING CAVEATS, DESIGNED MAINLY TO IMPROVE ACCURACY OF PAPER AND TO REFLECT CONDITIONS WHICH WE IMPOSED WHEN AGREEING TO JOIN UK APPROACH TO FRG (REFTEL).

A. PROVISIONS SHOULD BE MADE IN PAPER TO INCLUDE, WHERE APPROPRIATE, THE ROLE OF FRANCE. AS ONE EXAMPLE, WE BELIEVE AIR FRANCE SHOULD BE INCLUDED IN SENTENCE FOUR

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OF FIRST PARA OF UK TEXT. WHETHER SOME FURTHER MODIFICA-

TIONS IN LANGUAGE SHOULD BE MADE TO DISTINGUISH BETWEEN SYMBOLIC FRENCH PARTICIPATION AND MUCH MORE ACTIVE UK AND US ROLE IN IGS, WE WOULD LEAVE TO CAAS.

B. WHILE WE ARE PREPARED TO SUPPORT BRITISH POLITICALLY, WE WOULD NOT WANT TO HAVE IN TEXT ECONOMIC ARGUMENTS SUCH AS THOSE IN SENTENCES TWO TO FOUR OF PARA 4 WHICH ASSERT THAT DISCREPANCY IN RATE OF RETURN TO CARRIERS PER PASSENGER MILE BETWEEN IGS AND LUFTHANSA RESULTS IN PERMANENT ECONOMIC WEAKNESS OF IGS SINCE THIS CAN NOT BE SUPPORTED BY PAN AM'S ECONOMIC EXPERIENCE.

C. CAA SHOULD VERIFY LOAD FACTOR FIGURES GIVEN AT END PARA 3 OF TEXT, AND CONSIDERATION SHOULD BE GIVEN WHETHER IT DESIRABLE TO SPLIT OUT INDIVIDUAL CARRIER'S LOAD FACTORS. IN ANY CASE USCAA SHOULD HAVE UP TO DATE PAN AM FIGURES AVAILABLE IF FRG REQUESTS THEM.

D. REFERENCES TO THE "FUEL SURCHARGE" OF 6.7 PERCENT IN SUB PARAS C AND D OF PARA 6 OF TEXT SHOULD BE CHANGED TO "FARE INCREASE PROPOSAL" SINCE IT IS AGREED THAT THE CURRENT FARE INCREASE REQUEST WILL BE TREATED IN THAT MANNER. IT MIGHT ALSO PROVE USEFUL TO INSERT A PHRASE IN PARA 6(F) TO THE EFFECT THAT THE AIRLINES WILL CONTINUE TO SEEK OTHER WAYS TO REDUCE THEIR OWN OVERHEAD COSTS IN ADDITION TO EXTENDING RATIONALIZATION OF SERVICES.

2. FINAL TEXT SHOULD BE REFERRED TO DEPARTMENT FOR APPROVAL. WE ASSUME THAT COPY OF APPROVED TEXT WILL BE LEFT WITH FRG AS "NON-PAPER." WE WOULD HOPE THAT QUICK AGREEMENT COULD BE REACHED ON JOINT ALLIED TEXT SO THAT APPROACH MIGHT BE MADE BEFORE END OF MONTH IF POSSIBLE. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
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Disposition Authority: MorefiRH
Disposition Case Number: n/a
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